

City of Detroit

CITY COUNCIL

IRVIN CORLEY, JR.
FISCAL ANALYST
(313) 224-1076

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
E-Mail: cc-fiscal@ci.detroit.mi.us

ANNE MARIE LANGAN
ASSISTANT FISCAL ANALYST
(313) 224-1078

TO: COUNCIL MEMBERS

FROM: Irvin Corley, Jr., Director *ICJ*

DATE: September 20, 2007

RE: Strategic Staffing Solutions, Inc. Contract Change Order
(Contract No. 2713287)

This contract is a part of line item 1 under list of contracts on City Council's Internal Operations Committee calendar today.

Fiscal Analysis provides a brief summary of the proposed change order on the attached report. We also have several questions regarding this change order, and we respectfully ask Committee Chairman Kwame Kenyatta to bring this change order back next week to give Information Technology Services department the opportunity to respond our questions by then.

Attachment

cc: Council Divisions
Auditor General
Derrick Miller, ITS Director
Sreenivas Cherukuri, Deputy ITS Director
Roger Short, Chief Financial Officer
Pam Scales, Budget Director
Kandia Milton, Mayor's Office

ICJ:\\CORLEY\\S3 contract change order 2713287.doc

Strategic Staffing Services
Contract Amendment Questions and Comments
Sept. 19, 2007

Summary: Original contract was for \$5.0 million over a two-year period, July 1, 2006 to June 30, 2008 for computer programming, coding and analysis. This means that in just over half the time period of the contract, the original funding amount has been used.

The range of hourly rates for services provided under the contract is \$29 per hour to \$98 per hour. The original contract listed 23 positions being provided. 23 positions, times \$98 per hour, times 2080 hours (work year) equals, \$4,688,320. This would indicate that if the original information was correct, the company is provided only the highest rate services.

This contract is one of eleven contracts submitted by ITS for approval for the same types of service.

1. For the original contract with S3: What projects were the resources from S3 to be assigned to? What level (title) were the resources?
2. In light of the fact that a contract amendment is being requested, after just over a year, or 50% of the original contract time period, and the increase in cost is 180% of the original contract amount, without an increase in the contract length: What is the actual number of resources provided? What level (title) were the resources? What projects have the resources been assigned to?
3. Considering the large increase being requested for this contract, what is the status of the other 10 contracts processed for similar services? Include contractor name, original contract amount, contract period, what amendments have been processed for each contract (amount and/or time period), remaining balance of approved amount, project that contractor resources have been assigned to.
4. If the other contracts have not been utilized to the original contract amounts, should the other contracts be reduced to compensate for this contract increase request?
5. If this contract is approved provide the detail on the number of resources to be provided, level (title) of resources, projects the resources will be assigned to, and the period of time the resources will be used. Also include the funding source, city department, general fund, other city funds or grant funded, for each project that resources will be assigned to.
6. This type of contract increase, just over half the original contract period, and an increase in cost of 180% of the original contract amount, certainly raises the issue of are the resources provided by the contractor being used to replace reductions in staff made in the ITS department?
7. Provide the address and other demographic information for the resources provided to the City under the S3 contract.